

HONORABLE ROBERT S. LASNIK

UNITED STATES DISTRICT COURT
WESTERN DISTRICT OF WASHINGTON
SEATTLE DIVISION

KRISTA PEOPLES, an individual,

Plaintiff,

v.

UNITED SERVICES AUTOMOBILE
ASSOCIATION and USAA CASUALTY
INSURANCE COMPANY,

Defendants.

No. 2:18-cv-01173-RSL

**JOINT MOTION TO REMAND OR TO
STAY PROCEEDINGS PENDING
SETTLEMENT APPROVAL**

**JOINT MOTION TO REMAND OR TO STAY PROCEEDINGS
PENDING SETTLEMENT APPROVAL**

As counsel reported to the Court by e-mail on June 9, the parties have agreed to a combined settlement of this case and an earlier-filed case, *Eastside Physical Therapy, Inc., P.S. v. United Servs. Auto. Ass'n, et al.*, No. 17-2-26885-2 SEA (King Cty. Super. Ct.) (the “*Eastside case*”), pending in King County Superior Court to globally resolve all claims by both health care providers and insureds challenging USAA’s reasonable fee methodology in a single settlement. To aid in effectuating their proposed class action settlement, Plaintiff Krista Peoples and Defendants United Services Automobile Association and USAA Casualty Insurance Company request that the Court enter one of the two proposed orders included herein either remanding this case to state court or staying this case pending final approval of the parties’ settlement in state court. Plaintiff prefers that the Court enter an order remanding this

1 case to state court. The USAA Defendants defer to the Court's determination and entry of
2 whichever of the two orders it deems most appropriate.

3 Plaintiff filed the Complaint in this case in Washington state court on July 9, 2018,
4 asserting Washington Consumer Protection Act ("CPA") claims on behalf of a putative class of
5 Defendants' insureds and challenging Defendants' use of the Reasonable Fee ("RF")
6 Methodology. (Dkt. # 1-1.) Defendants removed the case to federal court. (Dkt. # 1.) Plaintiff
7 then filed a motion for class certification on her CPA claims. (Dkt. # 23.) While that motion
8 was pending, Plaintiff also filed a motion to amend her complaint to add a claim for breach of
9 contract. (Dkt. # 53.) The Court granted Plaintiff's motion for class certification and certified a
10 litigation class on Plaintiff's CPA claims (Dkt. # 60), and granted Plaintiff's request for leave to
11 file an amended complaint adding a claim for breach of contract (Dkt. #62). After filing her
12 First Amended Complaint, Plaintiff filed a motion for class certification on her breach of
13 contract claims. (Dkt. #67.) The Court stayed sending notice to the litigation class due to the
14 pendency of proceedings on a certified question before the Washington Supreme Court and
15 Plaintiff's motion for class certification on her breach of contract claim. (Dkt. # 83.) Plaintiff
16 later withdrew that motion without prejudice after the parties had reached a settlement in
17 principle and signed a Term Sheet. (Dkt. # 99.)

18 On October 13, 2017, nine months before filing the *Peoples* case, Plaintiff's counsel
19 filed a Class Action Complaint and Amended Complaint in the *Eastside* case, also challenging
20 Defendants' use of the RF Methodology and asserting CPA claims on behalf of a putative class
21 of Washington health care providers. That case is still pending in King County Superior Court
22 and, because it was filed first, is broader in its scope.

23 Over the past ten months, Plaintiff, Defendants, and the parties to the *Eastside* case have
24 been engaged in settlement discussions to resolve both cases. Those discussions ultimately
25 resulted in an agreement in principle, which the parties reported to the Court on May 1, 2020.
26 (Dkt. #96.) On June 2, 2020, the parties reached agreement on a confidential Term Sheet. The

1 parties are currently negotiating the Settlement Agreement and related documents.

2 The parties have agreed that their proposed settlement should be effected in the *Eastside*
3 case: Eastside would represent a class of health care providers, and Ms. Peoples would
4 represent a class of Defendants' insureds.

5 WHEREFORE, the parties respectfully request that the Court enter one of the two
6 proposed orders included herein.

7 So Stipulated and Respectfully Submitted this 8th day of July, 2020.

8 BRESKIN JOHNSON TOWNSEND, PLLC CORR CRONIN LLP

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ORDER REMANDING CASE

Based upon the parties' agreement to settle this matter and the Joint Motion to Remand or to Stay Proceedings Pending Settlement Approval, the Court hereby finds good cause to remand this matter to King County Superior Court for consolidation with *Eastside Physical Therapy, Inc., P.S. v. United Servs. Auto. Ass'n, et al.*, No. 17-2-26885-2 SEA (King Cty. Super. Ct.).

This Order is without prejudice to Defendants' right to remove this case to federal court (which Plaintiff and her counsel will not oppose) in the event that the *Eastside* court for any reason does not grant final approval to the settlement.

IT IS SO ORDERED.

Dated this 9th day of July, 2020.



Robert S. Lasnik
United States District Judge